SECRET

ADDRESS OFFICIAL COMAPDIPO WED FOR Release : CIA-RDP78-01617A000400040003-7 THE SECRETARY OF STATE

DEPARTMENT OF STATE



WASHINGTON 25, D. C.

WASHINGTON

Copy No. _/

March 18, 1949

The Department of State concurs in the attached draft of CIA Intelligence Memorandum No. 139 and wishes that there be added as a supplement the following points:

- l. Sufficient evidence is not yet available to determine the significance of the Soviet personnel changes. Consequently any estimates at this time is necessarily a matter of speculation. All indications, however, point to continued Soviet prosecution of the cold war, although shifts intactics and in location of pressure points may be expected. Both Molotov and Mikoyan will continue to participate in the direction of foreign relations as members of the Politburo and of the Council of Ministers. Their successors, Vyshinsky and Menshikov, are clearly identified with Moscow's previous tactics.
- 2. Among the speculative estimates regarding the meaning of those changes that involved the three Politburo members (Molotov, Mikoyan, Voznesenski) are the following:
- a. that they were ousted to clear the board for a major reorientation of Soviet foreign policy aimed at achieving a temporary accommodation with the West. This is belied by all present evidence.
 - b. that they were freed from administrative detail in order to
 - (1) groom one or several of them for assuming the mantle of an aging Stalin; and/or
 - (2) to devote more time to top policy questions; and/or
 - (3) to devote more time to the administration of the economic, political, and military coordination of Eastern Europe; and/or
- e. that they were freed to serve in a reconstituted State Defense Committee (which was set up after the Nazi's attack and operated as a war cabinet until 1945) and otherwise to prepare for a general intensification of the cold war.

- 2 -

- 4. As for the timing of the personnel shifts, it should be noted that the changes took place in the midst of a Soviet intensification of the cold war, designed to weaken the position of the West and to strengthen the Soviet position, particularly in Eastern Europe. Since January 1, these developments have taken place or are apparently in preparation:
 - a. Communist adoption of a more militant attitude as part of the Soviet drive against the North Atlantic Pact with Communist leaders threatening sabotage of Western defense efforts and a paralyzing civil strife in the event of war involving the USSR,
 - b. evidence of tighter coordination by Moscow of national Communist parties,
 - c. an intensive drive to build up a war scare in order to rally the people of the world "in defense of peace";
 - d. creation of the Eastern European Economic Council,
 - e. reports of preparations by the satellites surrounding Yugoslavia for increasing pressure against Tito in the ferm of guerrilla action,
 - f. increase of Soviet troop strength in Germany,
 - g. Soviet notes to Norway and a reported Soviet inquiry of Turkey's intentions toward a Mediterranean pact,
 - h. increased Soviet propaganda attacks on Finland and Iran,
 - i. intensified drive against the Catholic and Protestant churches in Eastern Europe,
 - j. a 20 percent budget increase for Soviet military expenditures,
 - k. Soviet propaganda reports of "partisans" activity in Yugoslavia and South Korea,
 - 1. Stalin's "peace gestures through Kingsbury Smith.